

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

PUBLIC SESSION MINUTES

December 11, 2006

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, December 11, 2006, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.

The following Directors constituting a quorum were present and participated throughout the meeting as indicated: Steven Campo, Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Also present were: W. Geoffrey Grout, Managing Director, E. Jerome Batty, Secretary, members of the Corporation's staff and members of the public.

1. CALL TO ORDER

The meeting was called to order at 5:04 p.m. by Chairman Kaplan. Chairman Kaplan welcomed Mr. Steven Campo of the North Kingstown Town Council as the newest member of the Board, replacing Anthony F. Miccolis, Jr.

2. A. APPROVAL OF MINUTES

Mr. Patterson noted that his statement regarding his disappointment that the current Gateway layout does not follow the village type proposal originally presented by New Boston Development Partners LLC had been omitted from the November 20, 2006, minutes.

Upon motion duly made by Mr. Sams and seconded by Mr. DeCarvalho, the Board:

VOTED: To approve the minutes of the Public Session meeting of November 20, 2006, as amended.

Voting in favor were: Steven Campo, Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: None.

Unanimously approved.

**B. GATEWAY PROJECT PRESENTATION – NEW BOSTON
DEVELOPMENT PARTNERS, LLC**

Mr. Kaplan advised the Board that New Boston Development Partners LLC, would be updating the Board on the status of the Gateway Project. Mr. Kaplan noted that a vote will be required to refer the Projects to the Town of North Kingstown Town Council and the Community Advisory Committee for comment as provided in Section 42-64-13 G.L.R.I. Mr. Kaplan noted that it is important that the Board receive as much input as possible from the community.

Mr. Grout advised the Board that Susan Miller, the Chair of the Community Advisory Committee had submitted her resignation. Mr. Grout expressed his appreciation for her service on the Committee.

Mr. Grout then referred the Board to their packages, Tab 2, for the Chronology of the Gateway Project, and block diagram showing the evolution of the Project Plan.

Mr. Grout then noted the following for the Board to keep in mind as the Board deals with the definition of “Market Driven”:

Commercial real estate is an asset class that enjoys unique benefits and burdens. For example:

- Long lead time – there is no opening or closing bell.
- Markets are cyclical and timing is everything.
- Site specific - cannot relocate to a better place.
- Requires large capital commitments – mistakes are very expensive.
- Tenants drive the value equation - users are the name of the game.

Mr. Grout noted that the Gateway Project was conceived as a first major step in delivering the “shared vision” of a fully utilized first class business environment in order to produce jobs, tax base and return on investment for all of the citizens of Rhode Island. The QDC Staff believes that the Gateway Project requires no defense as it meets or exceeds the objectives established for the project three years ago.

The goals for the Gateway Project are as follows:

- Provide accessory mixed use (hotel/office/retail) project as an amenity for a business park population.
- Enhance the marketability of remaining business sites.
- Provide complimentary land uses which are used as avenues for good jobs.
- Rely on market-based economics and public-private partnerships to carry out the development.
- Reflect smart growth by putting density on existing infrastructure in a sustainable environment.
- Provide a catalyst to the Town of North Kingstown's plans for the redevelopment of the Post Road corridor.

Although the 66 acres of the Gateway Project represent only 2% of the former navy lands and 5.5% of those controlled by QDC, it will have a dramatic impact on the utilization of an under-utilized resource. This project represents, in very round numbers, a \$100mm investment, 1,000 jobs and \$1.5mm in property taxes to the Town of North Kingstown.

Mr. Grout further noted that the record shows that in spite of any claims to the contrary, the process was transparent, fair, and meticulous. The QDC has selected a more than fully competent partner to execute the strategy. It is true that it has taken a long time to build mutual confidence and gain a true understanding of the actual market based opportunities given location specific demographics, road configurations and other development projects under consideration.

Mr. Grout stated that to reach this point, QDC has had to work hard to bring irrational exuberance around visionary dreams and ideas back to reality. The QDC Staff has developed a good working partnership with the New Boston team. There is still some give and take to be explored ahead and we have definitely reached the point where public participation is viewed not as just a requirement but essential to meeting QDC's goals with respect to the community. As was demonstrated during the Davisville Road discussion, QDC is open and accommodating to thoughtful suggestions or alternatives. The Agency looks forward to the discussion as Quonset moves forward.

Mr. Grout also referred the Board to their packages for the comments from the Design Review Committee regarding the Gateway Project. Mr. Grout noted that the Committee consisted of himself, Steven King and two architects, all of whom were previously approved by the Board. Mr. Grout noted that the goal of the Committee was to provide advice on the project in terms of development regulations, the Master Plan and the vision for Quonset.

Mr. Grout then turned the presentation over to Mr. Jerry Patchulo of New Boston Development Partners LLC.

Mr. Patchulo walked the Board through a Powerpoint presentation on the Gateway Project. Mr. Patchulo noted that the project represents a \$100M to \$120M commitment from the New Boston Fund.

Mr. Patterson noted that with the holidays approaching, it would be difficult to respond within the 45 days required by statute. Mr. Patterson asked if the referral date could start on January 1, 2007 or January 2, 2007. Based on Mr. Grout's earlier comments regarding the choice of New Boston as the developer, Mr. Patterson said his vote was for New Boston because of the original concept, versus the concept of other developers who also presented information. Mr. Patterson noted that he did not see the original New Boston design as a "Blue Sky" design and still wanted the original concept. Mr. Patterson noted that the current concept would be discussed with the Town Council and hearings would be held. Mr. Patterson indicated that some of the immediate concerns were the large structures with Lowe's being beyond the Town zoning size as well as the Town staff's belief that the concept does not conform to the Town's Comprehensive Plan.

Mr. Patterson asked New Boston what would be required to add apartments into the current site plan?

Mr. Patchulo noted that the residential component had not been reviewed except for a dialogue with the Town of North Kingstown very early in the design process. Mr. Patchulo noted that by Board request, residential is not part of the equation but can be accommodated if approved.

Ms. Jackson asked for clarification on the amount of office space.

Mr. Chamberlain indicated that the number of floors on the buildings could increase but that the office space plan has grown from the original concept. Mr. Chamberlain noted that Phase 2 of the project would be entirely office space. Mr. Chamberlain also noted that retail in Phase I is needed to attract office users to Phase II.

Mr. Grout referred the Board to the chart in their Board package that indicates parking ratios for a further explanation. Mr. Grout also indicated that the only real change in the plan is in the middle of the project and that where we started in terms of concept is pretty much where the project is ending up.

Mr. Kaplan noted that an accommodation could be made for the delivery of the plan for comments to the Town of North Kingstown. Mr. Kaplan also indicated that clarification needed to be made between the terms “developer” and “development” and between the original concept and the current concept being presented.

Mr. Doern noted that his recollection was that there were three proposals. Mr. Doern indicated that the responses to those proposals were to be based on how the developer would envision the use of the land. Mr. Doern indicated that he liked the concept.

Mr. Crowley indicated that he chose New Boston based upon their experience and available capital. Mr. Crowley noted that he was familiar with New Boston’s work and found them to be competent.

Mr. Rebecchi indicated that the available financing was important as well as a firm that could be flexible, as New Boston has been thus far.

Mr. Kaplan noted that the residential question should be discussed at subsequent Board meetings for further input.

Mr. Patterson noted that the former Chairman had wanted to leave the decision to the Town of North Kingstown regarding the residential component. Mr. Patterson indicated that a residential component for the Gateway was not off the table and that the Town could be flexible.

Mr. Rebecchi disagreed with Mr. Patterson. Mr. Rebecchi indicated that there were heated discussions on the feasibility of including a residential component if the land were to remain State property.

Mr. DeCarvalho agreed with Mr. Rebecchi. Mr. DeCarvalho noted that because the plan did not have a hotel, the residential discussion came about. Mr. DeCarvalho agreed that New Boston has provided a comfort level that the current plan is not far off of the original plan. Mr. DeCarvalho asked if New Boston had some sort of model to respond to the density needs to allow for more of a village concept in the current market.

Mr. Patchulo noted that “current market” is the key to the project. Mr. Patchulo indicated that the current density is comfortable for now and increased demand could change the density. Mr. Patchulo indicated that expansion is possible and that the project is flexible. Mr. Patchulo also noted that New Boston has not yet heard from the big office users that would drive the higher density.

Mr. Chamberlain noted that a business park needs amenities that will bring in larger office users and that Phase 1 of the project can bring in those users.

Mr. Rebecchi asked whether or not the study of the market indicated an opportunity for more office space.

Mr. Chamberlain noted that the long term vision for the Park had been reviewed and it is expected that an amenities rich environment would bring office and large corporate users.

Mr. Kaplan indicated that the Park was here for jobs, not for retail space but that if retail was needed to get the jobs, it is understandable.

Mr. Simpson asked New Boston if they had responded to the concerns indicated by the Design Review Committee.

Mr. Patchulo stated that the first meeting was originally a concept scheme and he believed the Committee was still interested in the original plan.

Mr. Grout noted that the Committee's comments and advice are intended as suggestions to be considered by the Board.

Mr. Kaplan noted that he attended the last Design Review Committee meeting. Mr. Kaplan once again reminded the Board that the decision to be made was not a decision on the plan but to refer the plan to the Town of North Kingstown Town Council and the Community Advisory Committee for more input and comments. Mr. Kaplan noted that the time for that input is now. Mr. Kaplan then asked Mr. Batty to clarify the vote before the Board and walk through the resolution.

Mr. Batty noted that the purpose of the vote was to start the process with the Town of North Kingstown Town Council and the Community Advisory Committee. Mr. Batty noted that when the project does not conform to the Town's Comprehensive Plan, the project is sent to the Town Council for review. Mr. Batty noted that the Community Advisory Committee was added for more input. Mr. Batty indicated that the project can be presented at an agreed upon date to accommodate Mr. Patterson's request if the Board so chooses because the statute provides that comments are due 45 days from the "receipt of the request."

A discussion then ensued regarding the importance of having comments before the February 12, 2007 Board, meeting so that a vote could be acted upon at that meeting. Mr. Grout indicated that delaying a vote past the February meeting would slow down the project.

It was agreed that the project be presented to the Town of North Kingstown and the Community Advisory Committee on December 22, 2006, to begin the 45 day comment period.

Mr. Patterson asked for clarification on why the vote included sending the project to the Community Advisory Committee. Mr. Patterson noted that the Town of North Kingstown should be sufficient and that having dual committees trying to achieve the same goal would not be productive.

Mr. Kaplan noted that the more input received the better and that there was nothing in the statute stopping the Town of North Kingstown Town Council from conferring with the Community Advisory Committee on the process. Mr. Kaplan noted that erring on the side of caution and sending the plan to both committees was important to receive as much input as possible.

Mr. Patterson disagreed and indicated that he would vote in the negative if the project were sent to both committees.

Mr. Simpson asked for further clarification on the intent of the vote in sending the project to both committees.

Mr. Batty indicated that the vote was to receive input or comments and recommendations from both Committees but that the approval/disapproval by the Committees was not binding upon the Board. Mr. Batty noted that the Board can approve the project even if the Town of North Kingstown or the Community Advisory Committee disapproves of the Project. It is the responsibility of the Board to make the decision regarding the use of Federal lands at Quonset. Mr. Batty noted that the information provided by the Town of North Kingstown Town Council and the Community Advisory Committee was to assist the Board with that decision.

Mr. Patterson asked if the vote could be revised to send the project to the Town of North Kingstown Town Council with the recommendation that the Town is urged to consult with the Community Advisory Committee.

Mr. DeCarvalho disagreed with Mr. Patterson. Mr. DeCarvalho noted that the Board will vote to develop Quonset and it is the responsibility of the Board to seek input. Mr. DeCarvalho asked how more input could be had.

Mr. Patterson indicated that the Committees were trying to reach the same goal and that competing meetings and responses were not an efficient use of time with two bodies doing the same thing.

3. **APPROVAL REQUESTS**

A. Referral of Gateway Project to the Town of North Kingstown Town Council and the Community Advisory Committee pursuant to RIGL 42-64-13.

Upon motion duly made by Mr. Crowley and seconded by Mr. Rebecchi, the Board adopted the following resolution:

WHEREAS, New Boston Development Partners LLC has submitted a revised Master Plan for the Gateway Project in accordance with the terms and provisions of the Amended and Restated Development Agreement dated May 15, 2006, and entered into between the Quonset Development Corporation (the "Corporation") and New Boston Development Partners LLC, ("New Boston"); and

WHEREAS, prior to taking any action on the revised Master Plan, the Corporation has determined it is appropriate to refer the revised Master Plan for the Gateway Project to the Community Advisory Committee and the North Kingstown Town Council pursuant to Section 42-64-13 G.L.R.I.

NOW, THEREFORE, the Board hereby votes as follows:

VOTED: That the Board hereby refers the revised Master Plan for the Gateway Project to the Community Advisory Committee and to the North Kingstown Town Council in accordance with Section 42-64-13 G.L.R.I., with such referral to be delivered on December 22, 2006.

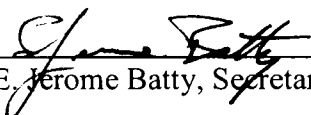
Voting in favor were: Steven Campo, Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against was: John A. Patterson.

Motion approved.

There being no further business to come before the Board, upon motion duly made by Mr. Doern and seconded by Mr. Patterson, the meeting was adjourned at 6:55 p.m.

Respectfully submitted by:

By: 
E. Jerome Batty, Secretary